

Message Text

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PAGE 01 JAKART 11771 300710Z
ACTION EA-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-09
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 XMB-02 PA-01
/133 W

-----014945 310241Z /73

R 300552Z AUG 78
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 1136

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E.O. 11652: N/A
TAGS: ENRG, ID, EINV
SUBJECT: FINANCING FOR DUMAI REFINERY

1. EMBASSY WISHES TO CLARIFY RECENT PRESS ARTICLES
STATING THAT PERTAMINA IS SEEKING LOANS IN INTER-
NATIONAL CAPITAL MARKET IN ORDER TO FINANCE CONSTRUC-
TION OF HYDROCRACKER AT DUMARI REFINERY. IT IS EMBASSY'S
UNDERSTANDING THAT PERTAMINA IS NOT ENTERING THE CAPITAL
MARKET.

2. GOI OFFICIALS, INCLUDING PERTAMINA PRESIDENT
HARYONO, HAVE TOLD US SPECIFICALLY THAT PERTAMINA
NEITHER WANTS NOR LEGALLY COULD ENTER THE CAPITAL MARKET
FOR THIS OR ANY OTHER MAJOR PROJECT.

3. GENERAL HARYONO IS ASKING THE ASSISTANCE OF
INTERNATIONAL BANKERS TO ANALYZE WHETHER A HYDRO-
RACKER AT DUMAI COULD BE FINANCED WITHOUT OFFICIAL
GOI GUARANTY AND WITHOUT FORMAL PERTAMINA PARTICIPATION
IN THE LOAN. SEVERAL MAJOR BANKS HAVE EXPRESSED
INTEREST IN EXPLORING THIS "OFF THE BALANCE SHEET"

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PROPOSAL AND ARE PREPARING FINANCIAL STUDIES OF
ALTERNATIVE METHODS OF FINANCING THE DUMAI EXPANSION.

4. TO DATE NO CONCLUSIONS HAVE BEEN REACHED CONCERN-
ING THE FEASIBILITY OF THIS KIND OF FINANCING, BUT
GOI PLANS FOR DUMAI TO NOT PRESENTLY INCLUDE PERTA-
MINA BORROWING FOR THE PROJECT. GENERAL HARYONO TOLD

US IT WILL BE ABOUT TWO YEARS BEFORE PERTAMINA IS
ABLE TO UNDERTAKE NEW INTERNATIONAL BORROWINGS.
OTHER GOI OFFICIALS STRESS THAT GOI POLICY ABOUT
FOREIGN BORROWING BY PERTAMINA REMAINS UNCHANGED --
IT STILL MUST BE DONE THROUGH MINISTER OF FINANCE AND
BANK INDONESIA.
GARDNER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, HYDROELECTRIC POWER PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978JAKART11771
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780355-0127
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978089/aaaaahkq.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 03519a67-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1813662
Secure: OPEN
Status: NATIVE
Subject: FINANCING FOR DUMAI REFINERY
TAGS: ENRG, EINV, ID
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/03519a67-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014